Defense Task Force on DFARS Transformation

Presented to:
Defense Supply Center Columbus
2003 Supplier Conference

http://www.acq.osd.mil/dp/dars/transf.htm

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Defense Procurement and Acquisition Policy
April 2, 2003

DoD Direction

- Conduct a comprehensive review and transformation of the FAR and DFARS
  - **Reduce DFARS by 40%**
- Include operational proceedings used to revise and implement the DFARS

Fits within OSD Goals and Priorities

√ Improve credibility and effectiveness of acquisition and logistics support process

√ Enhance higher priority activities and improve responsiveness and efficiency

√ Shorten DoD Processes by 50%

History

- Defense Planning Guidance Flowdown (Oct 02)
- SECDEF Legislative Proposal Direction (Nov 02)
- Phase 1 - 21-26 Nov 022
- Senior Procurement Execs briefed 10 Dec and 13 Jan 03
- Industry briefed 10 Feb 03
- Mr. Wynne (PDUSD/AT&L) Challenge Memo to Service Acquisition Executives, 19 Feb 03
- Senior Acquisition Executives - Brief 20 Feb 03

Why?

- FAR/DFARS published in 1984
  - 4-year effort to rewrite FPR and ASPR
- Many re-write/transformational initiatives
  - DMR – late 80s removed duplicative/unnecessary rules
    - DFARS size cut in half - words cut from 600K to 300K
    - 400 directives identified for cancellation/consolidation
    - 113 clauses removed (35%)
  - Fundamental improvements to:

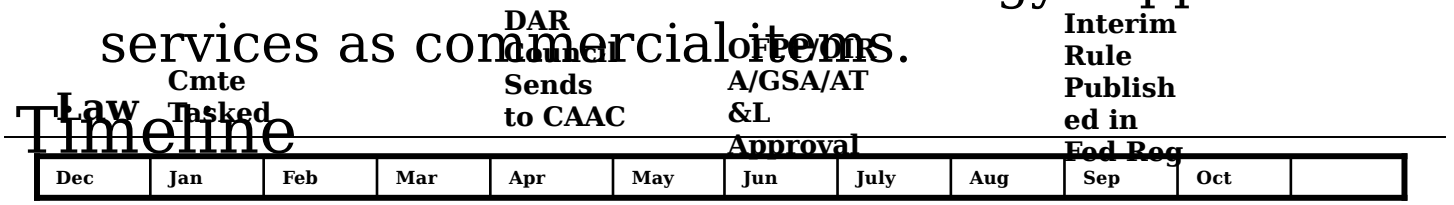
Negotiated procurement	**Source Selection**
Procurement Integrity	**Profit**
Commercial contracting	**IT and schedules**
Milspec reform	**Industry involvement**

  - Section 800 panel (1993) – comprehensive look at the laws
  - FASA and FARA – mid – 90s
  - Plain language re-write (ongoing)
  - FAR guiding principles

Rule-making process has remained relatively unchanged

Why? - A Case in Point

- Temporary Emergency Procurement Authority
  - FAR change to implement Section 836 of the FY02 NDAA
  - Increased micro-purchase threshold and the simplified acquisition threshold for defense against terrorism.
  - Allows PCOs to treat biotechnology supplies and services as commercial items.
- Timeline



9 months to publish an Interim Rule!

Objectives

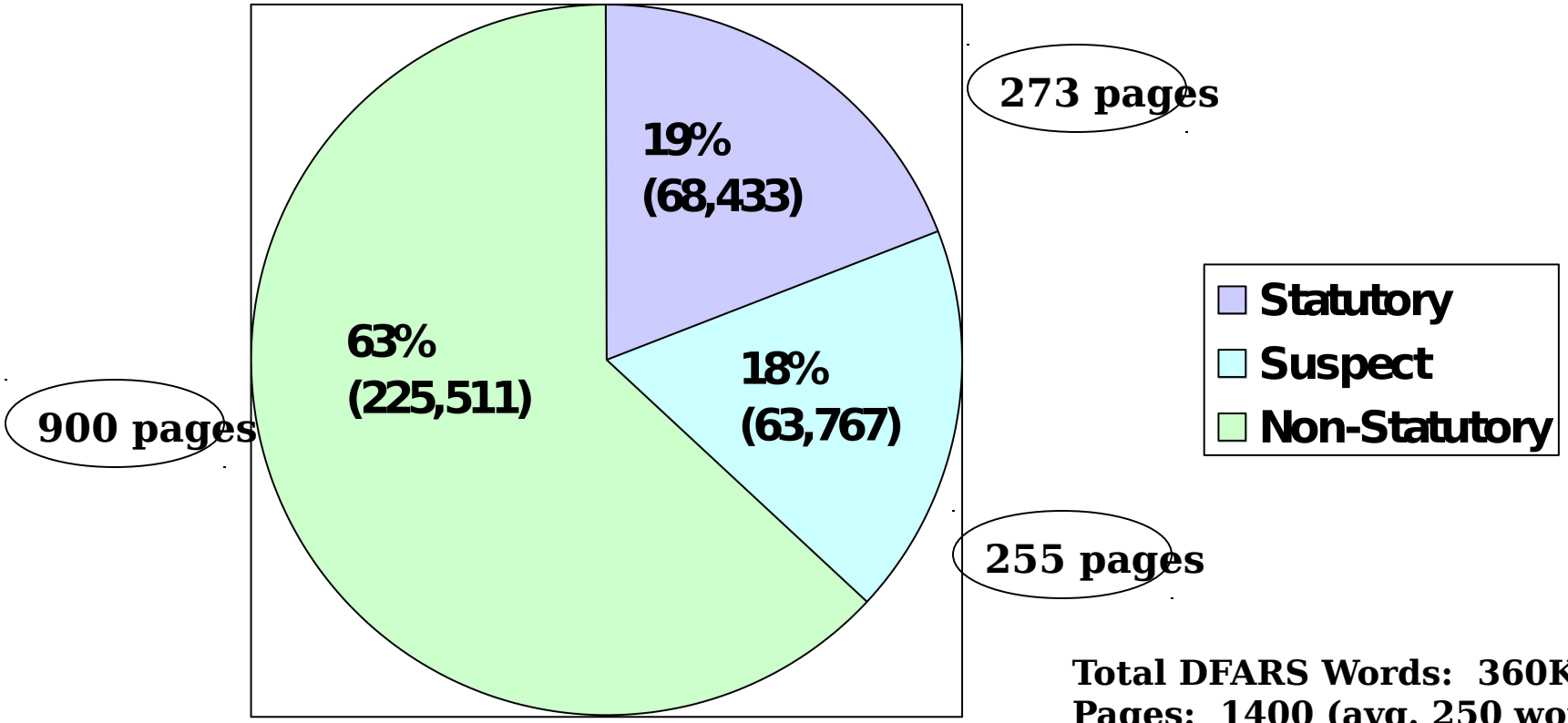
- Value-based approach
  - Identify opportunities and potential for improvement
    - Policy, process, procedure, authority
  - Identify opportunities to reduce regulatory requirements
    - Recast the purpose, process and content of the DFARS
- Focus on opportunities with measurable benefit
  - Strengthen procurement process, reduce cost, cycle time, administrative burden, foster innovation
  - Increase effectiveness

Task

- Review all DFARS Parts within team responsibilities
- Generate proposals to remove or change DFARS requirements
  - Criteria: Strengthens procurement process, reduces acquisition cost, cycle time, administrative burden, improves clarity, fosters innovation
  - Criteria: Provides measurable value in accomplishing DoD's mission
- Justify retaining existing requirements
- Recommend statutory changes or changes to higher authorities
  - FAR, Executive Orders, Other

Deliverables: Legislative and regulatory change propos

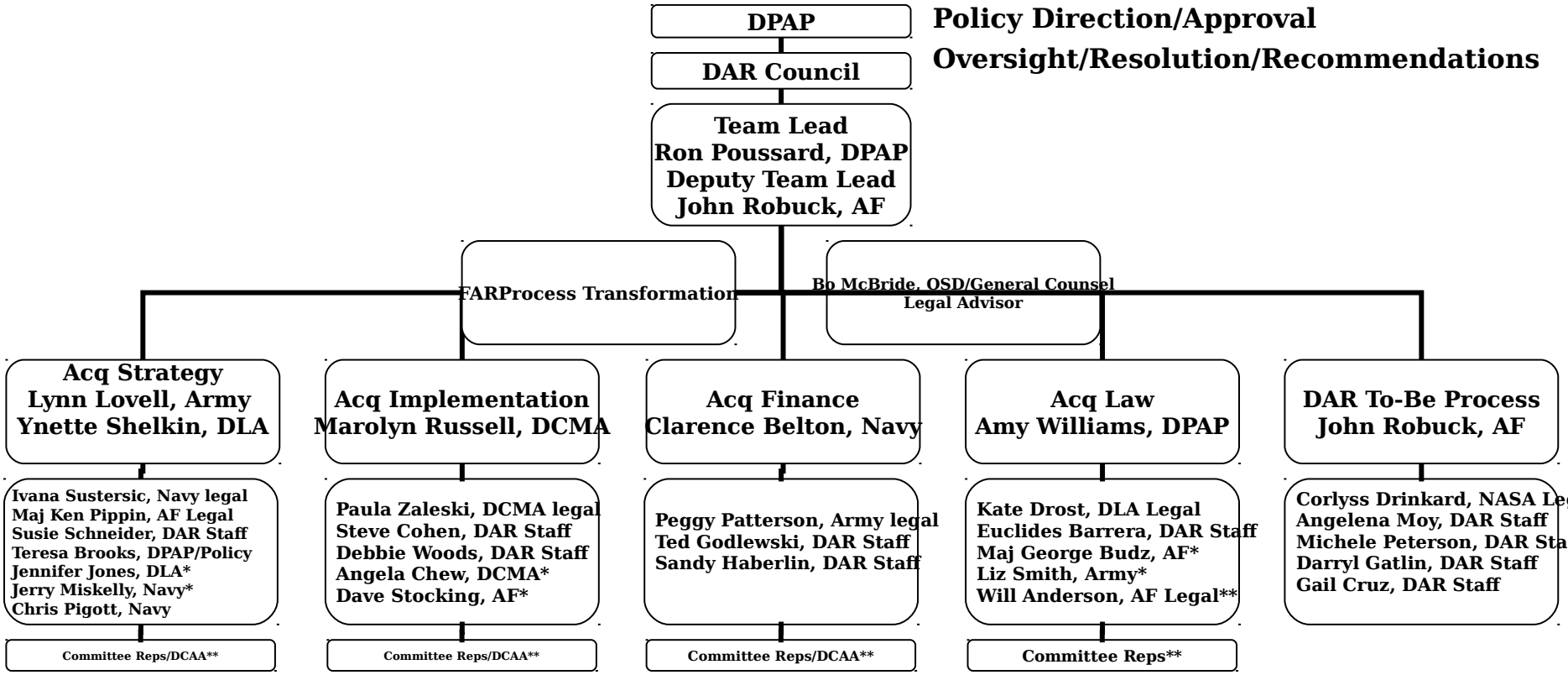
Phase 1 Results



Total DFARS Words: 360K
Pages: 1400 (avg. 250 words/p

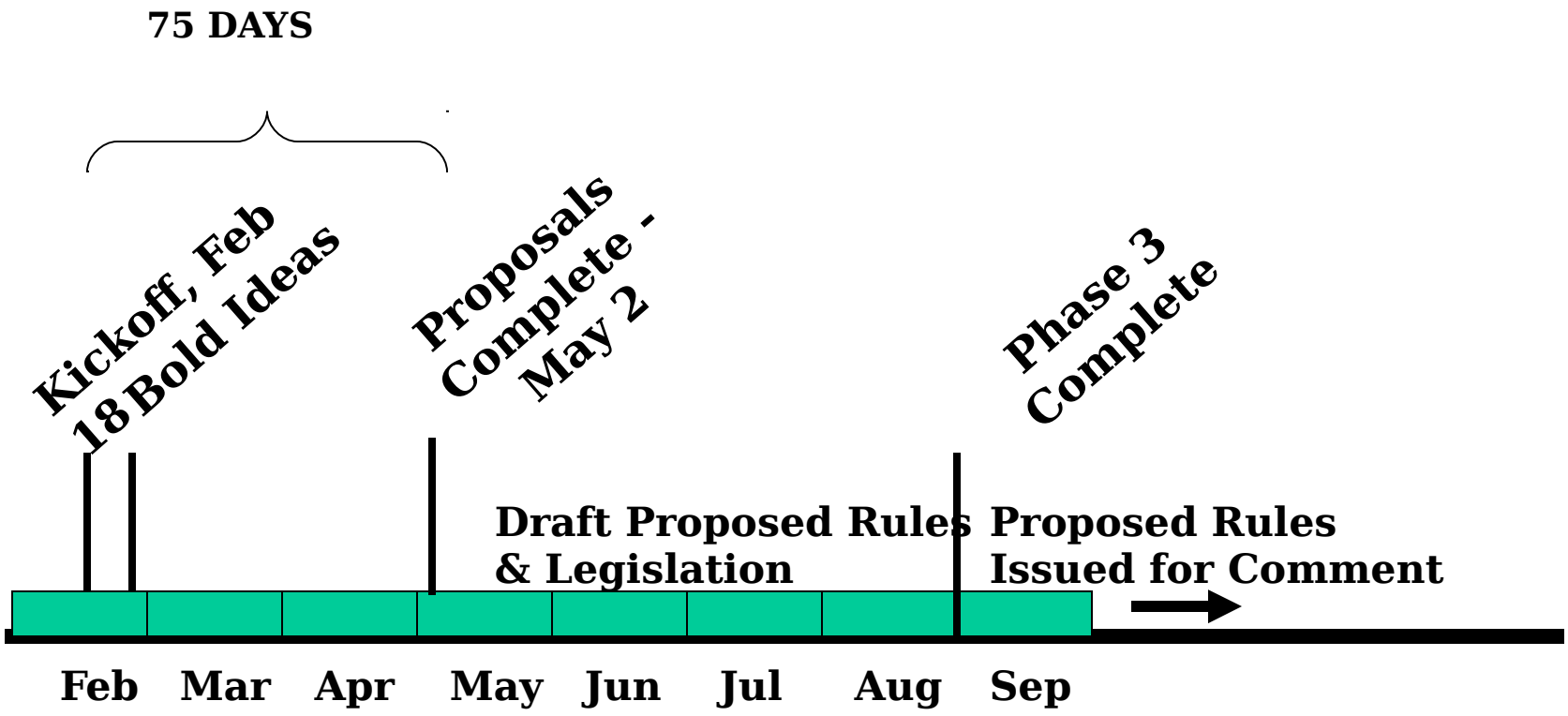
Based on DFARS total word count

The Team



***Full-time augmentee from Services and Agencies.**
****As required.**
Total: 30 participants
DAR Council will continue to work priority FAR/DFARS cases

Schedule


75 DAYS
Kickoff, Feb 18 Bold Ideas
Proposals Complete - May 2
Phase 3 Complete
Draft Proposed Rules & Legislation
Proposed Rules Issued for Comment
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep

AT&L Challenge

- **“I am challenging DoD’s acquisition community…to take advantage of this opportunity to initiate dramatic improvements to the procurement process….I request you establish a concurrent effort in your respective organizations and interact with our task force as we generate value-added changes to the rules and our processes.”**

Mr. Michael W. Wynne
Principal Deputy Under Secretary
Acquisition Technology and Logistics
Feb 19, 2003

Goal

Create a responsive tool so acquisition teams can build successful contracts and business relationships every time

A Dramatically Changed DoD FAR Supplement

A New DFARS?

- DFARS, the Regulation, could be --
  - Clear requirements/procedures of law
  - Mandatory DoD-wide policy
  - Deviations from FAR
  - Flexible decision processes
- DFARS Procedures and Guidance, could be --
  - Non-mandatory procedures and information
  - Decision making support
  - Internal DoD – no significant impact on public

Websites

- http://www.acq.osd.mil/dp/dars
  - Detailed information on transformation initiative
  - Opportunity for industry/public to provide proposals
  - Links to online FAR and DFARS
  - Open FAR and DFARS Case Listing and Status; Class Deviations
  - Subscribe to DFARS News (get DCNs, proposed rules)
  - View and comment on proposed or interim DFARs rules